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20030411002131
CHICAGO TITLE RCOVE 47 00
PAGE 001 OF 029
04/11/2003 13:56
KING COUNTY, WA

(Space above this line for recorder's use only)

DOCUMENT TITLE:	Declaration of Covenants, Conditions and Restrictions of Bifrost Gate
REFERENCE NUMBER(S) OF RELATED DOCUMENTS:	N/A
Additional reference numbers on page(s) <u>N/A</u> of document.	
GRANTOR:	1. Vintage Hills 6, LLC 2. Vintage Hills, LLC
GRANTEE:	Plat of Bifrost Gate
ABBREVIATED LEGAL DESCRIPTION:	Ptn. NW 1/4 of SE 1/4, Sec. 4, T 21 N, R 5 E, W M.
Additional legal on page <u>22</u> of document	
ASSESSOR'S TAX PARCEL NO(S).	042105-9011; 211101-1130

CHICAGO TITLE INS. CO. (29)
REF# 1032449-10

**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS**

OF

**BIFROST GATE
KING COUNTY, WASHINGTON**

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**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF BIFROST GATE KING COUNTY, WASHINGTON**

THIS DECLARATION is made this ____ day of January, 2003, by the undersigned, hereinafter referred to collectively as "Declarant "

DESCRIPTION OF THE LAND

A. Declarant collectively owns certain real property located within the State of Washington, which property and improvements are commonly known as Bifrost Gate, located in King County, Washington, and legally described in attached Exhibit A (the "Project"). All Common Areas of the Project are shown on the Plat Maps recorded in conjunction with this Declaration

B. For the benefit and protection of the Project, to enhance its value and attractiveness, and as an inducement to lenders and investors to make and purchase loans secured by Lots within the Project, Declarant agrees to provide herein for a method of use and architectural control within the Project

NOW, THEREFORE, Declarant hereby declares that the Lots described herein shall be held, conveyed, encumbered, leased, rented, used, occupied and improved subject to the following uniform covenants, conditions, restrictions, reservations, grants of easement, rights, rights-of-way, liens, charges and equitable servitudes

Any conveyance, transfer, sale, assignment, lease or sublease of a Lot in the Project, shall and hereby is deemed to incorporate by reference all provisions of this Declaration. The provisions of this Declaration shall be enforceable by Declarant, any Lot Owner, the Association, and any first mortgagee of any Lot

ARTICLE 1: INTERPRETATION

1 1 **Liberal Construction.** The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation and maintenance of the Project

1 2 **Covenant Running with Land.** It is intended that this Declaration shall be operative as a set of covenants running with the land, or equitable servitudes, binding on Declarant, its successors and assigns, all subsequent Owners of the Project or any Lots, together with their grantees, successors, heirs, executors, administrators, devisees or assigns

1 3 **Declarant is Original Owner.** Declarant is the original Owner of all Lots and Project and will continue to be deemed the Owner thereof except as conveyances or documents changing such Ownership regarding specifically described Lots or portions of the Project are filed of record

1 4 **Captions.** Captions given to the various articles and sections herein are for convenience only and are not intended to modify or affect the meaning of any of the substantive provisions hereof

1 5 **Definitions.**

1 5 1 **"ACC"** shall mean the Architectural Control Committee provided for in Article 6

1 5 2 **"Association"** shall mean the Owners' Association provided for in Article 4 and its successors and assigns

1 5 3 **"Board"** shall mean the Board of Directors of the Association provided for in Article 5

1 5 4 **"Bylaws"** shall mean the duly adopted bylaws of the Association

1 5 5 **"Common Area"** shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the Owners and shall include (unless/until dedicated to a governmental entity) all Common Areas described on the Plat Map including but not limited to Tracts A, B, B2, C, D, E, F, and H, Project entry sign(s) and landscaping, planter islands and planted medians on roads or cul-de-sacs, all street trees, and mailbox stands serving more than one Lot. Tracts G, I and J are owned by individual Lot Owners and are not part of the Common Area

1 5 6 **"Declarant"** shall mean the undersigned (being the sole Owner of the real property described in Exhibit A hereof) and its successors and assigns if such successors or assigns should acquire more than one undevel-

oped Lot from the Declarant for the purpose of development and by written instrument in recordable form be specifically assigned the rights and duties of Declarant

1.5.7 "Declaration" shall mean this declaration and any amendments thereto

1.5.8 "Home" shall mean and refer to any structure, or portion of a structure, located on a Lot, which structure is designed and intended for use and occupancy as a residence by a single family or which is intended for use in connection with such residence

1.5.9 "Lot" shall mean and refer to any plot of land shown upon any recorded Plat Map of the Project excluding Common Areas. Lot shall not include any land now or hereafter owned by the Association or by all of the Lot Owners as tenants in common, nor include any land shown on a Plat Map but dedicated to the public or to a governmental entity

1.5.10 "Mortgage" shall mean a recorded mortgage or deed of trust that creates a lien against a Lot and shall also mean a real estate contract for the sale of a Lot

1.5.11 "Mortgagee" shall mean the beneficial Owner, or the designee of the beneficial Owner, of an encumbrance on a Lot created by mortgage or deed of trust and shall also mean the vendor, or the designee of a vendor, of a real estate contract for the sale of a Lot

1.5.12 "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Project, and, except as may be otherwise expressly provided herein, shall, in the case of a Lot which has been sold pursuant to a real estate contract, include any person of record holding a vendee's interest under such real estate contract, to the exclusion of the vendor thereunder. Any person or entity having such an interest merely as security for the performance of an obligation shall not be considered an Owner

1.5.13 "Person" shall include natural persons, partnerships, limited liability companies, corporations, associations and personal representatives

1.5.14 "Project" shall mean the real estate described in Exhibit A and all improvements and structures thereon, including such additions thereto as may hereafter be brought within the jurisdiction of the Association

1.5.15 "Plat Map" shall mean any Plat Map(s) approved by the appropriate governmental entity and recorded in conjunction with or subsequent to this Declaration, which Plat Maps depict the layout of the Lots on the Project

1.6 **Percentage of Mortgagees.** For purposes of determining the percentage of first mortgagees approving a proposed decision or course of action, a mortgagee shall be deemed a separate mortgagee for each Lot on which it holds a mortgage that constitutes a first lien on said Lot

1.7 **Percentage of Owners.** For purposes of determining the percentage of Owners approving a proposed decision or course of action, an Owner shall be deemed a separate Owner for each Lot owned

ARTICLE 2: OWNERSHIP OF COMMON AREA

2.1 **Ownership of Common Area.** All Common Areas shall be owned by the Association. The Common Areas, if any, within any Additional Land (as defined in Article 16) will be deemed to be conveyed to the Association upon the recording of an amendment to this Declaration incorporating such Additional Lands within the Project and will be depicted on the Plat Map recorded in conjunction with such amendment. The Common Area shall exclude those portions of common areas (and improvements thereto) which have been or may hereafter be, dedicated to and owned by the public or a governmental entity. The Common Area shall for all purposes be under the control, management and administration of the Declarant until all Class B membership (as defined in Article 4) terminates, and under the control, management and administration of the Association thereafter. The Association (and the Owners who are members thereof) have the responsibility and obligation to maintain, repair and administer the Common Area in a clean, attractive, sanitary and safe condition and in full compliance with applicable, governmental laws, rules and regulations and the provisions of this Declaration

ARTICLE 3: OWNER'S PROPERTY RIGHTS

3 1 **Owner's Rights of Enjoyment.** Every Owner shall have a non-exclusive right, in common with all Owners, of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions

3 1 1 The right of the Association to limit access to those portions of the Common Areas, which in the opinion of the Board are dangerous

3 1 2 The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon any Common Area

3 1 3 The right of the Association to suspend the voting rights and right to use of the Common Areas by an Owner for any period during which any assessment against such Owner's Lot remains unpaid, and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations. Until all Class B membership terminates, the Association shall be required to exercise its right to suspend the voting rights of, and the right to the use of the recreational facilities by, a member for non-payment of an assessment, upon the request of the Declarant

3 1 4 The rights of the Association to dedicate or transfer all or any part of the Common Area, including easements across said properties, to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members of the Association

3 1 5 The right of the Association to limit the number of guests of members

3 1 6 The right of the Association, in accordance with this Declaration and its Articles of Incorporation and Bylaws, to borrow money for the purpose of improving the Common Area and facilities and in aid thereof to mortgage said property, but the rights of such mortgagee in said property shall be subordinate to the rights of the Owners hereunder and subject to the provisions of Section 11 5

3 1 7 The right of the Association to take such steps as are reasonably necessary to protect any property mortgaged in accordance with Section 3 1 5 against foreclosure, including, but not limited to, the right to charge admission and other fees as a condition to continued enjoyment by the Owners and, if necessary, to open the enjoyment of such properties to the public

3 1 8 Until all Class B membership terminates, the exercise of all of the rights and powers set forth in subsections 3 1 2, 3 1 3, 3 1 4, 3 1 5 and 3 1 6 shall require the prior written approval of Declarant

3 2 **Delegation of Use.** Any Owner may delegate (in accordance with the Bylaws), his/her right of enjoyment to the Common Area and facilities to the members of his/her family, or his/her tenants or contract purchasers who reside on the Owner's Lot and (subject to regulation by the Association) to his/her temporary guests

ARTICLE 4: OWNERS' ASSOCIATION

4 1 **Establishment.** There is hereby created an association to be called BIFROST GATE HOMEOWNERS' ASSOCIATION (referred to hereinafter as the "Association")

4 2 **Form of Association.** The Association shall be a nonprofit corporation formed and operated pursuant to Title 24 and Chapter 64 38, Revised Code of Washington. In the event of any conflict between this Declaration and the Articles of Incorporation or Bylaws for such nonprofit corporation, the provisions of this Declaration shall prevail

4 3 **Membership.**

4 3 1 **Qualification** Each Owner of a Lot in the Project (including Declarant) shall be a member of the Association and shall be entitled to one membership for each Lot so owned. Ownership of a Lot shall be the sole qualification for membership in the Association

4 3 2 **Transfer of Membership** The Association membership of each Owner (including Declarant) shall be appurtenant to the Lot giving rise to such membership, and shall not be assigned, conveyed, pledged or alienated in any way except upon the transfer of title to said Lot and then only to the transferee of title to such Lot. Any at-

tempt to make a prohibited transfer of membership shall be void. Any transfer of title to a Lot shall operate automatically to transfer the membership in the Association appurtenant thereto to the new Owner thereof.

4.4 Voting.

4.4.1 Classes of Voting Membership. The Association shall have two classes of voting membership: (a) Class A members shall be all Owners except the Declarant. Class A members shall be entitled to one vote for each Lot owned; (b) The Class B members shall be the Declarant, which shall be entitled to twenty (20) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of the first of the following events: (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or (b) the date when Declarant's management powers terminate, as provided in Section 5.2. In determining whether any given proposition shall have been approved by the membership, the total number of Class A and Class B votes shall be combined and the appropriate percentage applied against that combined number. If Declarant elects to annex Additional Lands pursuant to Section 16.1, the total number of votes shall be increased by the applicable number for the Lots in such annexed Additional Lands.

4.4.2 Number of Votes. Except as provided in Section 4.4.1 above, the total voting power of all Owners shall equal the number of Lots at any given time and the total number of votes available to Owners of any one Lot shall be one (1) vote.

4.4.3 Bylaws of Association. Bylaws for the administration of the Association and the Project and to further the intent of this Declaration, may be adopted or amended by the Owners at a regular or special meeting, provided, that the initial Bylaws shall be adopted by Declarant. In the event of any conflict between this Declaration and any Bylaws, the provisions of this Declaration shall prevail.

ARTICLE 5: MANAGEMENT OF THE ASSOCIATION

5.1 Administration of the Development. The Owners covenant and agree that the administration of the Project shall be in accordance with the provisions of this Declaration and the Bylaws of the Association.

5.2 Management by Declarant. The Project shall be managed on behalf of the Association by the Declarant until the earlier of (a) one hundred twenty (120) days after all Class B membership terminates, or (b) the date on which Declarant elects to permanently relinquish all of its authority under this Section 5.2 by written notice to all Owners. So long as Declarant is managing the Project, Declarant or a managing agent selected by Declarant shall have the exclusive power and authority to exercise all the rights, duties and functions of the Board and the Association set forth or necessarily implied in this Declaration, provided, however, that the Association may not be bound directly or indirectly to any contracts or leases without the right of termination exercisable without cause and without penalty at any time after transfer of control to the Board elected pursuant to Section 5.3, upon not more than ninety (90) days' notice to the other party to the contract.

5.3 Management by Elected Board of Directors. At the expiration of Declarant's management authority under Section 5.2, power and authority shall vest in the Board of Directors elected from among the Lot Owners. The number of directors shall be specified in the Bylaws and shall be sufficient to adequately handle the affairs of the Association. The Board may delegate all or any portion of its management duties to a managing agent or officer of the Association as provided for in the Bylaws. All Board offices shall be open for election at an organizational meeting. The Board shall elect from among its members a president who shall preside over meetings of the Board and the meetings of the Association.

5.4 Authority and Duties of the Board. On behalf of and acting for the Association, the Board (or the Declarant or Declarant's managing agent as provided in Section 5.2 hereof), for the benefit of the Project and the Owners, shall have all powers and authority permitted to the Board under this Declaration and any applicable law, including but not limited to the following:

5.4.1 Assessments. Establish and collect regular assessments (and to the extent necessary and permitted hereunder, special assessments) to defray expenses attributable to carrying out its duties hereunder and maintain an adequate reserve fund for the maintenance, repair, improvement and replacement of those portions of the Common

Area or facilities which must be maintained, repaired or replaced on a periodic basis, which reserve shall be funded by the above assessments. The Association may impose and collect charges for late payments of assessments.

5 4 2 Services Obtain the services of persons or firms as required to properly manage the affairs of the Project to the extent deemed advisable by the Board including legal and accounting services, property management services as well as such other personnel as the Board shall determine are necessary or proper for the operation of the Common Area, whether such personnel are employed directly by the Board or are furnished by the manager or management firm or agent.

5 4 3 Utilities Obtain water, sewer, garbage collection, electrical, telephone, gas and any other necessary utility service, including utility easements and street lighting, as required for the Common Area.

5 4 4 Insurance Obtain and pay for policies of insurance or bonds providing Common Area casualty and liability coverage, and for fidelity of Association officers and other employees, the requirements of which are more fully set forth in Article 15.

5 4 5 Maintenance and Repair of Common Areas Pay for the costs of painting, maintenance, repair and all landscaping and gardening work for all Common Area, and improvements located thereon, so as to keep the Project in a good, clean, attractive, sanitary and safe condition and in full compliance with applicable governmental laws, rules and regulations and the provisions of this Declaration. The foregoing shall include but not be limited to the cost of maintaining, repairing and replacing mailbox stands that serve more than one (1) Lot, maintaining and replacing street trees and landscaping in planter islands and planted medians on roads or cul-de-sacs, repair, maintenance and replacement of Project entry sign(s), and such replacing and repairing of furnishings and equipment, if any, for the Common Area as the Board shall determine are necessary and proper.

5 4 6 Maintenance of Rights of Way, etc. To the extent deemed advisable by the Board, pay for the costs of maintaining and landscaping rights of way, traffic islands and medians, or other similar areas which are not part of the Lots or Common Area but which are within or adjacent to the Project boundaries, and which are owned by or dedicated to a governmental entity, if said governmental entity fails to do so, provided, the Lot Owner at the Owner's expense (rather than the Association) shall maintain and landscape such areas as are adjacent to such Owner's Lot.

5 4 7 Fences, Landscaping, etc. To the extent deemed advisable by the Board, pay for the cost of constructing, maintaining, repairing and replacing perimeter and interior fences, if any, and landscaping and improvements on easements, if any, which are located on or across Lots; provided, the Board at its option may require a Lot Owner at the Owner's expense to maintain, repair and replace such fences, landscaping and improvements as are adjacent to such Owner's Lot.

5 4 8 Enforce Declaration Enforce the applicable provisions of the Declaration for the management and control of the Project.

5 4 9 Contracting and Payment for Materials, Services, etc. Contract and pay for any materials, supplies, labor or services which the Board should determine are necessary or proper for the enforcement of this Declaration, including legal, accounting, management or other services, provided that if for any reason any materials, supplies, labor or services are provided for particular Lots or their Owners, the cost thereof shall be specially charged to the Owners of such Lots.

5 4 10 Attorney-in-Fact Each Owner, by the mere act of becoming an Owner, shall irrevocably appoint the Association as his/her attorney-in-fact, with full power of substitution, to take such action as reasonably necessary to promptly perform the duties of the Association and Board hereunder, including but not limited to the duties to maintain, repair and improve the Project, to deal with the Project upon damage or destruction, to grant easements and licenses over Common Areas, and to secure insurance proceeds.

5 4 11 Borrowing of Funds In the discharge of its duties and the exercise of its powers as set forth herein, but subject to the limitations set forth herein, the Board may borrow funds on behalf of the Association.

5 4 12 Adoption of Rules and Regulations, Fines When and to the extent deemed advisable by the Board, to adopt reasonable rules and regulations governing the maintenance and use of the Project and other matters of mu-

tual concern to the Lot Owners, which rules and regulations are not inconsistent with this Declaration and the By-laws and which treat all Owners fairly and on a non-discriminatory basis. The Board may impose and collect charges for late payments of assessments and, after notice and an opportunity to be heard by the Board or by a representative designated by the Board in accordance with procedures as provided in the Bylaws or rules and regulations adopted by the Board, levy reasonable fines in accordance with a previously established schedule adopted by the Board and furnished to the Owners for violation of the Bylaws, rules and regulations of the Association.

5.4.13 Additional Powers of Association In addition to the duties and powers of the Association as specified in this Declaration, but subject to the provisions of this Declaration, the Association, acting through its Board, shall have the power to do all other things that it may deem reasonably necessary to carry out its duties and the purposes of this Declaration.

ARTICLE 6: ARCHITECTURAL CONTROL

6.1 Construction and Exterior Alteration or Repair.

6.1.1 All buildings and structures (including, without limitation, concrete or masonry walls, rockeries, fences, sheds, swimming pools, if any, or other structures) to be constructed within the Project, and all exterior alterations and repairs (including, but not limited to, reroofing or repainting) of any buildings or structures on the Project and visible from any public street, Common Area or other Lot must be approved in writing by the Board, or by an Architectural Control Committee ("ACC") composed of three (3) or more representatives appointed by the Board, at least two (2) of whom shall be Board members, provided, that so long as Declarant owns any Lots within the Project, Declarant at its option may exercise all of the rights and powers of the Board under Section 6.1 including without limitation the appointment of members of the ACC. References in this Article 6 to the ACC shall be deemed to include the ACC, the Board, or the Declarant, as circumstances may dictate. Complete plans and specifications, including colors, of all such proposed buildings, structures, and exterior alterations and repairs, together with detailed plans showing the proposed location of the same on the particular building site and other data requested by the ACC, shall be submitted to the ACC along with a written request for approval signed by the Owner. Any exterior modifications in accordance with plans and specifications developed by the Declarant and filed with the Board at the time of transfer (pursuant to Article 5.3) shall be deemed approved exterior modifications.

6.1.2 The ACC will review all requests for approval of construction, alteration or repair for quality of workmanship and materials planned and for conformity and harmony of the external design with proposed or existing structures on neighborhood residential Lots or building sites, and for location of the building with respect to topography, finish grade elevation and building setback restrictions.

6.1.3 In the event the ACC fails to approve or disapprove such request within thirty (30) days after all required plans and specifications have been submitted to it, such approval shall be deemed given by the ACC.

6.1.4 All plans and specifications for approval by the ACC must be submitted in duplicate, at least thirty (30) days prior to the proposed construction or exterior alteration or repair starting date. Construction, alteration or repair shall not be started until written approval thereof is given by the ACC.

6.1.5 The ACC may require that said plans or specifications be prepared by an architect or a competent house designer, approved by the ACC. One complete set of said plans and specifications shall in each case be delivered to and permanently retained by the ACC. All buildings or structures (including but not limited to garden sheds) shall be erected or constructed, and all exterior alterations or repairs made, by a contractor, house builder or other person or entity approved by the ACC. The ACC shall have the right to refuse to approve any design, plan or color for such improvements, construction, or exterior alteration or repair visible from a public street, Common Area or other Lot which is not suitable or desirable, in the ACC's reasonable opinion, aesthetic or otherwise.

6.1.6 In so passing upon such design, the ACC shall have the right to take into consideration the suitability of the proposed building or other structure, and the material of which it is to be built, and the exterior color scheme, to the site upon which it is proposed to be erected, the harmony thereof with the surroundings, and the effect or impairment that said structure will have on the view or outlook of surrounding building sites, and any and all factors, which, in the ACC's opinion, could affect the desirability or suitability of such proposed structure, improvements, or exterior alteration or repair.

6.1.7 The ACC shall have the right to disapprove the design or installation of a swimming pool or any other recreational structure or equipment, in the ACC's reasonable opinion, aesthetic or otherwise. In so passing upon such design or proposed installation, the ACC shall have the right to take into consideration the visual impact of the structure and the noise impact of the related activities upon all of the properties located in close proximity. Any enclosure or cover used in connection with such a recreational structure or equipment, whether temporary, collapsible, seasonal, or whatever, shall be treated as a permanent structure for the purposes of these covenants, and shall be subject to all the conditions, restrictions, and requirements as set forth herein for all buildings and structures.

6.1.8 The ACC shall have the right to require, at a Lot Owner's expense, the trimming or topping (or, if deemed necessary by the ACC, removal) of any tree, hedge or shrub on a Lot which the ACC determines is unreasonably blocking or interfering with the view or access to sunlight of another Lot.

6.1.9 The ACC shall have the right to specify precisely the size, color and style of mailboxes, and of the post or support on which such mailboxes are affixed, and their location within the Project, whether or not such mailbox stand is a Common Area, all with the approval of the Postmaster (if required).

6.1.10 Approval by the ACC is independent of, in addition to, and not to be construed as a representation as to compliance with, any requirements for a permit, license or other approval by King County or other applicable governmental or quasi-governmental entity. The Lot Owner is responsible for obtaining any such governmental approvals.

6.1.11 Declarant (including any successor in interest to Declarant's status as Declarant) shall not be subject to the restrictions of this Section 6.1 as to any Lot owned by Declarant, whether or not any Class B membership exists and whether or not management of the Association has been relinquished by Declarant pursuant to Section 5.2 hereof.

6.2 Sales Facilities of Declarant.

6.2.1 Notwithstanding any provision in this Declaration to the contrary, Declarant (and its agents, employees and contractors) shall be permitted to maintain during the period of sale of Lots and/or Homes or Lots and/or homes in developments adjacent or near to the Project, upon such portion of the Project (other than Lots sold by Declarant) as Declarant may choose, such facilities as in the sole opinion of the Declarant may be reasonably required, convenient or incidental to the construction, sale or rental of Lots and Homes, including but not limited to, a business office, storage area, signs, model units, sales office, construction office, and parking areas for all prospective tenants or purchasers of Declarant.

6.3 Variances.

6.3.1 So long as Declarant owns any Lot, the Board may in its reasonable discretion, upon written request of the Declarant, grant a variance from the requirements of Article 7, thereafter, the Board may, upon written request of an Owner, grant a variance from the requirements of Article 7 only in cases where, because of the physical characteristics of the Lot, strict enforcement would result in an unnecessary hardship. The Board may only grant a variance from the provisions of Sections 7.11 through 7.17, 7.19 through 7.21, 7.23, 7.29, or 7.36. The Board's authority to grant such a variance shall not be delegated to the ACC. Prior to granting such a variance, the Board shall hold an open hearing at which other Owners may comment. At least fifteen (15) days prior to such hearing, the Board shall give written notice of the nature of the requested variance to the Owner of each Lot immediately adjacent to the Lot for which the variance is requested; to other Owners that would reasonably be affected by the variance, and by requiring the Owner requesting the variance to post a notice on such Owner's Lot in a form reasonably satisfactory to the Board.

6.4 Appeals.

6.4.1 Any aggrieved Owner may appeal a decision of the ACC to the Board by written notice within sixty (60) days after the ACC's written decision. The Board will review the ACC decision at the Board's next regularly scheduled meeting (but in any event not later than thirty (30) days after receipt of the notice of appeal). The Board shall give written notice to the appealing Owner of the time and place of such meeting at least five (5) days in advance.

ARTICLE 7: USE AND MAINTENANCE OBLIGATION OF OWNERS

7.1 **Maintenance of Lots.** Each Owner, at said Owner's sole cost and expense, shall promptly and continuously maintain, repair and restore said Owner's Lot (including the yard and landscaping) and Home and other improvements located thereon, and also such other areas as may be required pursuant to Sections 5.4.6, 5.4.7, and 12.4 in a good, clean, attractive, safe and sanitary condition and in full compliance with all applicable governmental laws, rules and regulations and the provisions of this Declaration and the rules and regulations of the Association.

7.2 **Residential Use.** Except as provided in Section 7.6, all Lots and improvements located thereon shall be used, improved and devoted exclusively to residential use. Nothing herein shall be deemed to prevent the Owner from leasing a Lot and improvements subject to all of the provisions of the Declaration.

7.3 **Restriction on Further Subdivision.** No Lot or portion of a Lot shall be divided and sold or resold, nor ownership changed or transferred whereby the ownership of any portion of this Project shall be less than the area required for the use district in which located, provided, the foregoing shall not prohibit deeds of correction, deeds to resolve boundary disputes and similar corrective instruments. Lots may be joined and joined Lots may subsequently be subdivided only into the Lots originally joined.

7.4 **Rental Lots.**

7.4.1 With respect to the leasing, renting, or creating of any kind of tenancy of a Lot and improvements thereon by its Owners, such Owner shall be prohibited from leasing or renting less than the entire Lot or improvements thereon, or (with the exception of a lender in possession of a Lot and improvements thereon following a default in a first mortgage, a foreclosure proceeding or any deed of trust sale or other arrangement in lieu of a foreclosure) for a term of less than six (6) months, and all leasing or rental agreements shall be in writing, and shall be subject to the Declaration and Bylaws (with a default of the tenant in complying with the Declaration and Bylaws constituting a default under the lease or rental agreement).

7.4.2 If a Lot or Home is rented by its Owner, the Board on behalf of the Association may collect, and the tenant or lessee shall pay over to the Board, so much of the rent for such Lot or Home as is required to pay any amounts due the Association hereunder, plus interest and costs, if the same are in default over thirty (30) days. The renter or lessee shall not have the right to challenge payment over to the Board, and such payment will discharge the lessee's or renter's duty of payment to the Owner for rent, to the extent such rent is paid to the Association, but will not discharge the liability of the Owner or the Lot under this Declaration for assessments and charges, or operate as an approval of the lease. The Board shall not exercise this power where a receiver has been appointed with respect to the Lot or its Owner, nor in derogation of any rights which a mortgagee of such Lot may have with respect to such rents. Other than as stated in this Article 7 there are no restrictions on the right of any Owner to lease or otherwise rent such Owner's Lot or Home.

7.5 **Zoning Regulations.** Zoning regulations, building regulations, environmental regulations and other similar governmental regulations applicable to the Project shall be observed. In the event of any conflict between any provision of such governmental regulations and the restrictions of this Declaration, the more restrictive provision shall apply.

7.6 **Business Use.** No business of any kind shall be conducted on any Lot with the exception of (a) the business of Declarant in developing and selling all of the Lots, and (b) such home occupation as may be permitted by the appropriate local government and which is not otherwise in violation of the provisions of this Declaration.

7.7 **Building Setback Requirements.** All buildings and other Lot improvements shall comply with all applicable governmental requirements, including without limitation minimum setback requirements. No building or other structure shall be located within any building setback line shown on the Plat Map.

7.8 **Oil and Mining Operations.** No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot, nor shall oil wells, tanks, tunnels, mineral excavations

or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

7.9 **Catch Basin.** The Owner of each Lot shall ensure the cleaning of all catch basins, if any, located on such Lot at least once prior to September 15 of each calendar year.

7.10 **Lot Size.** No residential structure shall be erected or placed on any Lot which has a Lot area of less than that required by the government entity having appropriate jurisdiction over the Project.

7.11 **Garages.** Every Home must have a garage capable of holding at least two full-size cars, but no more than three full-size vehicles (any car, boat, recreational vehicle, etc. shall be deemed one car for purposes of this limitation). All vehicles must be stored in garages or in a manner which the Board reasonably determines is not offensive when viewed from the street or from the ground level of adjacent Lots or Common Areas.

7.12 **Square Footage.** Section 7.12 Square Footage. Each single family residence must include a minimum of 1,000 square feet for single story Homes and 1,400 square feet for two-story Homes, excluding garage, porches and decks.

7.13 **Mobile or Manufactured Housing.** Custom designs by licensed architects shall be strongly encouraged. The ACC may refuse to approve a plan based on design or repetitive use of a plan, or for failure to meet the approved criteria as set forth. There shall be no mobile or manufactured housing.

7.14 **Driveway Standards.** All driveways shall be constructed of concrete with a minimum of aggregate finish or other material approved by ACC.

7.15 **Parking.** Unless substantially screened from view from the street or from the ground level of adjacent Lots and Common Area in a manner reasonably approved by the ACC, no recreational vehicles, commercial vehicles, construction or like equipment, motorcycles, or trailers (utility, boat, camping, horse, or otherwise), shall be allowed to be parked or stored on any Lot or street for a cumulative period in excess of fourteen (14) days in any one (1) calendar year. No motor vehicles of any kind shall be parked overnight on any street adjoining any Lot or Common Area, provided that, such vehicles belonging to guests of a Lot Owner may occasionally be so parked so long as such parking will not violate any other provision of this Section 7.15. No motor vehicle of any kind that is inoperative by reason of mechanical failure shall be parked or stored on any Lot or in any right-of-way or street adjoining any Lot or Common Area for more than seventy-two (72) hours. The Board shall have full authority to determine, in its sole discretion, if any vehicle is obnoxious or undesirable to other Lot Owners and to enforce this covenant. Pursuant to Article 9 of this Declaration, the Association may levy fines or have vehicles that are parked in violation of this Section towed and impounded at the Owner's expense.

7.16 **Roof.** The exterior of all roofs shall be composed of materials approved by ACC. All roofs must have a pitch of at least 4/12 (four on twelve), unless approved by the ACC based on considerations regarding a specific Lot. Under no circumstances are flat roofs allowed. Roof material shall be at least twenty (20) year architectural composition asphalt shingle, charcoal color or other color approved by the ACC, and by a manufacturer approved and accepted by ACC.

7.17 **Exterior Finish.** The exterior of each Home shall be designed, built and maintained in such a manner as to blend in with the natural surroundings, existing structures and landscaping of the Project. All exterior materials and all exterior colors must be approved by the ACC in accordance with the provisions of this Declaration. Exterior trim, fences, doors, railing, decks, eaves, gutters and the exterior finish of garages and other accessory buildings (including garden sheds) shall be designed, built and maintained to be compatible with the exterior of the structures they adjoin. Homes and other structures may be finished in vinyl siding. In no event shall T-111 panelized type siding be permitted on any Home or other structure.

7.18 **Utilities.** All utilities shall be installed underground. No storage tanks or barrels of any kind shall be maintained above ground unless properly screened in a manner acceptable to the ACC. All Lots shall be served by public water and sewer. No wells or septic systems shall be constructed or maintained on any Lot.

7.19 **Antenna.** No antenna, satellite dish or other similar type of exterior equipment shall be allowed on any Lot unless approved in writing by the ACC. As a condition of approval the ACC may require reasonable shielding of

such antenna, satellite dish or equipment from view from the street and the ground level of adjacent Lots or Common Areas. In no event shall any satellite dish or similar antenna greater than one (1) meter in diameter be permitted.

7 20 **Fencing.** No fences or site-screening improvements shall be erected without the prior written approval of the ACC. Fences may only be placed along the rear property line, along the front building line, and from the front building line to the rear Lot line, cannot exceed six (6) feet in height above the ground, under no circumstances may obstruct view from any other Lot, must be constructed of wood approved by the ACC, and shall be constructed, maintained, repaired and replaced in accordance with the Common Fence Design Standards contained in attached Exhibit B or such other equivalent design as approved by the ACC, provided that the foregoing height limitation shall not apply to site screening approved by the ACC pursuant to Section 7 15. Fences shall either be natural wood or if stained shall only be stained with semi-transparent colors ranging from clear to cedar (or equivalent as determined by the ACC). Hedges or other solid screen planting may be used as Lot line barriers subject to the same height restrictions as fences. No chain-link fences shall be permitted on a Lot. No fence, wall or hedge shall be permitted on a Lot any nearer to any street than a building is permitted under Section 7 7, except that nothing shall prevent the erection of a necessary retaining wall, the top of which does not extend more than three (3) feet above the finished grade at the back of said retaining wall.

7 21 **Fireplace Chimneys.** Fireplace chimneys must be constructed with material approved by the ACC and as otherwise required by this Declaration.

7 22 **Garbage and Refuse.** No garbage, refuse, rubbish, cuttings, or debris of any kind shall be deposited on or left upon any Lot unless placed in an attractive container suitably located and screened from view from the street and from the ground level of adjacent Lots and Common Area. Such containers shall be returned to the screened location by the end of each scheduled pick-up day. All equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition. No building material of any kind shall be placed or stored on any property within the Project until the Lot Owner is ready to commence construction, and then such materials shall be placed within the boundary lines of the Lot upon which its use is intended. Garbage cans may only be placed in public view on the day of garbage pick-up. All woodpiles and storage areas must be placed so that they do not obstruct or hamper any other Lot Owner's view and must be suitably screened from view from the street and from the ground level of adjacent Lots and Common Area.

7 23 **Games and Play Structures.** No deck, platform, dog house, playhouse or structure of a similar kind or nature shall be constructed on any part of a Lot located in front of the rear line of the residence constructed thereon, and any such structure must have prior approval of the ACC. No basketball goals or similar moveable structures shall be kept or placed on any public sidewalk or street.

7 24 **Construction of Significant Recreation Facilities.** The construction of any significant recreational facilities on any Lot including, but not limited to, such items as swimming pools and tennis, badminton or pickle ball courts shall require the approval of the ACC and shall be subject to the requirements adopted by the ACC.

7 25 **Livestock and Poultry.** No animals or reptiles of any kind shall be kept on the Project, except that dogs, cats, and other indoor household pets may be kept provided that they are not kept, bred, or maintained for any commercial purpose. No individual Lot Owner shall keep more than two (2) dogs.

7 26 **Landscaping.** All cleared areas between the front building line and the street shall be fully landscaped within thirty (30) days, depending on weather conditions, of the time when Home is ready for occupancy. Owner shall install or have installed fully landscaped rear and side yards within nine (9) months of occupancy unless a longer time is approved by the ACC.

7 27 **Signs.** No signs of any kind, nor for any uses, shall be erected, posted, painted or displayed on any Lot or Common Area whatsoever, except for public notices by political divisions of the State or County or as required by law. Any builder or the builder's agent may erect and display signs during the period the builder is building and selling property in the Project only with prior approval from ACC. Any Lot Owner or the Lot Owner's agent wishing to sell that Owner's Lot may place one (1) "For Sale" sign on the Lot, provided such sign complies with any rules published by the ACC.

7.28 **Temporary Structures.** No trailer, basement, tent, shack, garage, barn or other outbuildings or any structure of a temporary character erected or placed on the Project shall at any time be used as a residence, even temporarily. No building or structure shall be moved on to the Project from any land outside the Project. A trailer may be placed and occupied by the designated subdivision sales agent with the prior written approval of the ACC. A construction shack may be used by an Owner's construction contractor during the construction period.

7.29 **Completion of Construction.** All construction shall begin within eighteen (18) months of the date of closing of the sale from the Declarant for each Lot. Any dwelling or structure erected or placed on any Lot shall be completed as to external appearance, including finish painting or staining, and shall be connected to sewers within eight (8) months from the date of commencement of construction, unless some longer period of time is approved in writing by the ACC.

7.30 **Easements.** Easements for the installation and maintenance of utilities, drainage and irrigation facilities are reserved as shown on the Plat Map and as described in Article 12. Within these easements no structure, planting or other materials shall be placed or permitted to remain which may damage or interfere with the installation and/or maintenance of such utilities, or which may change the directions of flow of water through a drainage channel in the easement, or which may obstruct or retard the flow of water through drainage channels in the easement. Except as otherwise provided in Section 12.4, any easement or portion thereof located on any Lot and all improvements thereon shall be maintained continuously by the Lot Owner.

7.31 **Use During Construction.** Except with the approval of the ACC, no person shall reside in any structure on any Lot until such time as the improvements to be erected thereon in accordance with the plans and specifications approved by the ACC have been completed. Completion shall be considered receipt of a final inspection of the dwelling unit by the King County Building Department or other applicable government official.

7.32 **Excavations.** Except with the permission of the ACC, or except as may be necessary in connection with the construction of any approved improvement, no excavation shall be made nor shall any dirt be removed from or added to any Lot. Except with permission of ACC, no retaining wall of more than three (3) feet in height (exposed height) may be constructed on any Lot.

7.33 **Nuisances.** No noxious or undesirable thing, or noxious or undesirable use shall be permitted or maintained upon any Lot or upon any other portion of the Project. If the Board determines that a thing or use is undesirable or noxious, that determination shall be conclusive.

7.34 **Clothes Lines, Other Structures.** No clothes lines or other structures of a similar nature shall be visible from any street or the ground level of any adjacent Lot or Common Area.

7.35 **Common Drives.** Common drives, walks (if any) and paths (if any) shall be used exclusively for normal transit and no obstructions shall be placed thereon or therein except by express written consent of the Board.

7.36 **Building Height.** Except with the permission of the ACC, no building height shall exceed thirty-five (35) feet (or height limits of local jurisdiction), as measured from the lowest floor elevation of the house (either garage floor or living area floor) to the maximum point on the roof.

7.37 **Storm Runoff.** Each Lot Owner shall ensure that all roof down spout drains are properly cleaned and maintained, and that the Tight Line Drainage lines or Storm Infiltration System on each Lot are clean and free of any debris. Due diligence shall be exercised by each Lot Owner to prevent adverse impact of storm runoff onto down stream Lots.

ARTICLE 8: COMMON EXPENSES AND ASSESSMENTS

8.1 **Creation of the Lien and Personal Obligation of Assessments.** The Declarant, for each Lot owned within the Project, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association any assessment duly levied by the Association as provided herein. Such assessments, together with interest, costs, late charges and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, late charges and reasonable attorneys'

fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to successors in title unless the lien for such delinquent assessments had been properly recorded prior to title transfer or unless expressly assumed by them. Provided, however, that in the case of a sale of any Lot which is charged with the payment of an assessment or assessments payable in installments, the person or entity who is the Owner immediately prior to the date of any such sale shall be personally liable only for the amount of the installments due prior to said date. The new Owner shall be personally liable for installments which become due on and after said date.

8.2 Uniform Rate. Any assessments which may be levied from time to time pursuant to the authority of the Board as set forth in Section 5.4.1, shall be fixed at a uniform rate for each Lot, except for assessments levied against an Owner for the purpose of reimbursing the Association for costs incurred in bringing the Owner or his/her Home and/or Lot into compliance with the provisions of this Declaration. Declarant shall not be obligated to pay any assessment levied against any Lots owned by it. An assessment against a Lot shall be the joint and several personal obligation of all Owners of that Lot. Notwithstanding the foregoing, the Declarant may in its sole discretion exempt from the payment of annual assessments any Owner who is a builder that acquires more than one Lot from the Declarant for the purpose of constructing and selling houses thereon.

8.3 Initial Assessment Amount. Upon the initial sale of each Lot by the Declarant (whether to a builder purchasing for resale or otherwise), each Lot Owner, at the time of his/her purchase of the Lot, shall pay an initial start-up assessment to the Association in the amount of \$400.00. Any initial purchaser purchasing a Lot for resale shall be reimbursed for the start-up assessment by the first purchaser of a Lot developed with a completed Home. Such initial assessment shall be in addition to any annual assessment provided for in this Article 8 and shall be for the purpose of reimbursing the Declarant and/or Association for maintenance and operating expenses of and for the Common Areas during the initial development and house sales period. Notwithstanding the provisions set forth above, the Declarant shall not be liable for any initial assessments assessed or due so long as Declarant owns any Lot.

8.4 Limitation on Annual Assessment Amount.

8.4.1 Board Authority. At any time after the sale of the first Lot by the Declarant (whether to a builder or otherwise), the Board shall have the authority, without obtaining prior approval of the Owners, to levy assessments in a given calendar year totaling not more than \$275.00 per Lot. Assessments included in the foregoing calculation shall not include any assessments which are levied against an Owner for reimbursing the Association for costs incurred in bringing the Owner or his/her Home and/or Lot into compliance with the provisions of this Declaration nor any initial assessments provided for in Section 8.3. Notwithstanding the provisions set forth above, the Declarant shall not be liable for any fees or assessments assessed or due so long as Declarant owns any Lot. Notwithstanding the foregoing, the Declarant may in its sole discretion exempt from the payment of annual assessments any Owner who is a builder that acquires more than one Lot from the Declarant for the purpose of constructing and selling houses thereon.

8.4.2 Annual Increase in Dollar Limit. The maximum dollar amount specified in Section 8.4.1 shall not be increased by more than twenty five percent (25%) without the approval of a majority of the Lot Owners voting at a meeting duly called for such purpose.

8.4.3 Owner Approval Required. Any assessment to be levied in a given calendar year which would cause the total of all assessments for the year to exceed the sum per Lot permitted by Sections 8.4.1 and 8.4.2 shall require the calling of a meeting of the Association upon notice sent to all members not less than thirty (30) nor more than sixty (60) days in advance of the meeting, and the approval at such meeting of the levy of such assessment by a majority of the Lots represented at such meeting, provided a quorum is present as defined in the Bylaws.

8.5 Manner and Time of Payment. Assessments shall be payable by each Owner in such reasonable manner as the Board shall designate. Any assessment or installment thereof which remains unpaid for at least fifteen (15) days after the due date thereof shall bear interest at an annual rate equal to fifteen percent (15%), and the Board may also assess a late charge in an amount not exceeding twenty-five (25%) of any unpaid assessment which has been delinquent for more than fifteen (15) days.

